

E. Mount Morris – RESTORE III – New Family Theater Renovation (W804)

February 19, 2010

General Project Plan

- Grantee:** Village of Mount Morris (“Mount Morris” of the “Village”)
- ESD Investment:** A grant of up to \$433,477 to be used for a portion of the cost of demolition and partial reconstruction/rehabilitation of the New Family Theater.
- Project Location:** 102 Main Street, Mount Morris, Livingston County
- NYS Empire Zone (or equivalent):** N/A
- Project Completion:** October 2010
- Grantee Contact:** Harold Long, Mayor
117 Main Street
Mount Morris, NY 14510
Phone: (585) 658-4160
- Project Team:**
- | | |
|--------------------|---------------|
| Project Management | Javier Roman |
| Affirmative Action | Helen Daniels |
| Environmental | Soo Kang |

Project Description:

Background

The Village of Mount Morris was incorporated in May 1835 and is framed by the Genesee River to the north and west, and Keshequa Creek which flows through the southeast corner. The Village is within the Town of Mount Morris in Livingston County. When incorporated the Village population consisted mainly of British settlers who integrated with the Seneca Indians. By 1840 a new wave of immigration brought many Italian families attracted by the job opportunities provided by the canning industry, salt mines, and railroads.

Predominantly a rural agrarian community during the 19th century, Mount Morris grew rapidly as a result of the Genesee Valley Canal. Of great importance to the development of Mount Morris and the region, the Genesee Valley Canal and subsequent railroad network provided efficient means of transporting agricultural products and other goods to outside markets, including connection to the Erie Canal Rochester.

Today, the Village is designated as economically distressed with the highest percentage (60.3%) of low-to-moderated income population. According to the 2000 US Census the Village’s median household income of \$31,792 is only 75% of the County’s and 73% of the State’s median income. A 14.3% of individuals and 12% of families live below the poverty level. The US Census data demonstrates that the Village’s population has been decreasing

E. Mount Morris – RESTORE III – New Family Theater Renovation (W804)

February 19, 2010

since 1990 from 3,102 to 2,876 by the end of 2008.

The Village completed and adopted a Downtown Strategic Plan in 2006. The plan determined that a greater emphasis should be placed on maintaining the Village's historic character while creating a diverse and sustainable downtown economy. Two strategies were identified which included leveraging the Village's location near one of the State's most important natural attractions, Letchworth State Park, and establishing the downtown as a center for arts and culture in western New York. In accordance with the plan, the Village has built a partnership with Pier 41 and its president, Greg O'Connell, a highly experienced developer that is planning substantial and coordinated investments in the Village.

The New Family Theater and its unique Art Deco façade and marquee has been a landmark on Mount Morris's Main Street for 75 years. The Village acquired the property as a last chance to save a piece of Mount Morris history and prevent the loss of a structure in a row of historic buildings. The renovation of the building for new commercial use is consistent with the economic revitalization strategies being implemented in the village. The extensive deterioration of the building eliminates the possibility that the project would be undertaken by the private sector. Urgent action is needed before portions of the building collapse and damage neighboring properties. Without Restore NY funding, the limited resources available to the project would be used only to raze the structure, leaving an undesirable and unmarketable vacant lot in the heart of downtown.

The Project

The project consists of the demolition and partial reconstruction/rehabilitation of the New Family Theater, a local landmark in the downtown area. The Theater was originally constructed in the 1920's, with additions in 1930 and a new auditorium in 1936 including a new Art Deco façade and lit marquee. The building has been abandoned and deteriorating for a number of years. As part of the project some deteriorated and unsafe portions of the building will be demolished; the front (east) façade and vestibule will be salvaged and rehabilitated, and reconstruction will begin of a new one-story rear building behind the historic façade for commercial use.

The project includes the demolition of the 5,000-square-foot rear auditorium, the 802-square-foot building that connects the original building to the auditorium, and approximately 1,000-square-feet of the original theater. The Art Deco front (east) façade, marquee, and a small portion of the east end of the building immediately behind the façade will remain.

By rehabilitating the façade of the theater and joining that to new commercial space, the Village will be developing a high quality and highly visible facility for private commercial investment. The Village intends to sell the renovated building to private ownership for commercial use that will support and further revitalize the urban center. The project began in October 2009 and an anticipated to be completed in October 2010.

E. Mount Morris – RESTORE III – New Family Theater Renovation (W804)

February 19, 2010

Financing Uses	Amount	Financing Sources	Amount	Percent
General construction including renovation	\$368,584	ESD Grant	\$433,477	77%
Infrastructure/Site preparation including demolition and hazardous materials removal	113,850	Village Equity *	130,000	23%
Indirect/Soft costs including architecture/engineering and legal fees, and contingencies	81,043			
Total Project Costs	\$563,477	Total Project Financing	\$563,477	100%

* Sources of Village Equity are: a Community Development Block Grant – Small Cities Grant (\$100,000) and a New York Main Street – Office of Community Renewal Grant (\$30,000)

Financial Terms and Conditions:

1. At the time of disbursement, the Village will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Village will be obligated to advise ESD of a materially adverse change in its financial condition prior to disbursement.
3. The Village will contribute at least a 10% match of the grant amount to the Project.
4. Up to \$433,477 will be disbursed to Grantee in two installments as follows:
 - a) an Initial Disbursement of \$113,850 will be disbursed upon completion of infrastructure, site preparation including demolition and hazardous material removal and documentation of project costs totaling \$194,893, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of \$319,627 will be disbursed upon completion of infrastructure, site preparation including demolition and hazardous material removal and documentation of project costs totaling an additional \$368,584 (cumulative project costs of \$563,477), as evidenced by a new certificate of occupancy, and assuming that all project approvals have been completed and funds are available.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after May 4, 2009 to be considered reimbursable project costs. Previously expended funds may be applied toward match requirements retroactive to June 23, 2006, when the Restore New York Legislation was enacted.

E. Mount Morris – RESTORE III – New Family Theater Renovation (W804)

February 19, 2010

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$433,477, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Village and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

6. If the Grantee is not the owner of the Project, then the Grantee shall prohibit, for five years from the date of the initial disbursement of Grant funds, any transfer of the Project in whole or in part, by sale, lease, or conveyance of any interest in or with respect to the Project except (a) transfers of minor interests in the Project site, such as utility easements and limited rights-of-way, and (b)(i) the arms-length basis sale or lease of individual condominium units in the ordinary course of business for a condominium development and (ii) the arms-length basis residential or commercial lease in the ordinary course of business for a commercial, residential, or mixed-use rental development. In the event that such a prohibited transfer occurs within such five-year period, the Grantee shall pay to ESD, promptly upon ESD's written demand therefore, the applicable amount indicated below.

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
- (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
- (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
- (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

Environmental Review:

The Village of Mount Morris, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on December 18, 2009. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant

E. Mount Morris – RESTORE III – New Family Theater Renovation (W804)

February 19, 2010

Effect on the Environment.

Due to the building's inclusion in the State Register of Historic Places, ESDC has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation (“OPRHP”) pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. ESDC, OPRHP and the Village of Mount Morris have agreed that the project will be implemented in accordance with a Letter of Resolution. ESDC will ensure that all conditions stipulated in the Letter of Resolution are met.

Affirmative Action:

ESD’s Non-discrimination and Affirmative Action policy will apply. The grantee is encouraged to use its best efforts to achieve a Minority Business Enterprise participation goal of 7% and a Women Business Enterprise participation goal of 3% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the construction work related to the project, and to include minorities and women in any job opportunities created by the project.

Statutory Basis – Restore NY Communities:

Land Use Improvement Project Findings

1. The area in which the project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area and tends to impair or arrest sound growth and development of the municipality.
The project involves the demolition, rehabilitation, and reconstruction of a vacant, abandoned, surplus, or condemned commercial building, which has been deemed by the Village to arrest sound growth and development in the area.
2. The project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.
The project involves the demolition, rehabilitation, and reconstruction of a site that the Village has included in its Downtown Strategic Plan which was adopted in 2006. The project fits within the strategic plan of preserving the Village’s historic character, while creating a diverse and sustainable downtown economy.
3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.
The Village published a property assessment list and held a public hearing on the project at the time of application. The Village will ensure compliance with all applicable local laws and regulations.
4. The requirements of Section 10(g) of the Act are satisfied.
There are no families or individuals displaced from the Project area.

February 19, 2010

Mount Morris (Livingston County) – Mount Morris – RESTORE III – New Family Theater Renovation – Restore NY Communities 08-09 – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Mount Morris – RESTORE III – New Family Theater Renovation Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *